

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant(s) : **Leslie L. Jacobs, Jr.**  
Application # : **10/583,222**  
Confirmation # : **8239**  
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Application Title : **A Method, Apparatus, and Computer Readable Medium for  
Providing a Stream of Payments**  
Art Unit # : **3694**  
Latest Examiner : **Gregg, Mary M.**

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Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**APPEAL BRIEF UNDER 37 C.F.R. §41.37**

Sir:

The Applicant respectfully submits this Appeal Brief in response to the Office Action of 14 October 2009 rejecting each of the pending claims 1-30. This Appeal Brief is in furtherance of the Notice of Appeal filed on 14 April 2010.

**I. REAL PARTY IN INTEREST**

The real party in interest is Leslie L. Jacobs, Jr., a person having an address at 4605 Glen Brook Parkway, Bethesda, MD 20814.

**II. RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences.

**III. STATUS OF CLAIMS**

Claims 1-30 are pending in this application, have been twice rejected, and are the subject of this appeal. Each of claims 1, 11, 18 and 25 are in independent form.

**IV. STATUS OF AMENDMENTS**

No amendments have been filed subsequent to the final rejections.

**V. SUMMARY OF CLAIMED SUBJECT MATTER**

All citations herein to the present application reference the application as originally filed.

**Independent Claim 1**

Independent claim 1 recites a method, comprising electronically selecting on one or more processors one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria. (See, e.g., paragraph 31-38). The method further comprises electronically identifying on one or more processors one or more portions of said one or more rights for transfer to an entity, said one or more portions corresponding to the one or more

segments that correspond to the first time period, said one or more portions that are identified being transferred apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraph 31-38).

**Dependent Claim 2**

To independent claim 1, claim 2 adds, wherein a plurality of segments of the plurality of streams of expected payments are selected from a plurality of time periods including said first time period, wherein each of said plurality of time periods corresponds to at least one of said plurality of segments, and wherein a plurality of portions of said one or more rights are identified for transfer to an entity, said plurality of portions corresponding to the plurality of segments, said plurality of portions being identified for transfer apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraph 31-38).

**Dependent Claim 3**

To dependent claim 1, claim 3 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments exceed a predetermined amount in said first time period. (See, e.g., paragraph 31-38).

**Dependent Claim 4**

To dependent claim 3, claim 4 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments be closest to said predetermined amount relative to a second total amount of expected payments. (See, e.g., paragraph 20).

**Dependent Claim 5**

To dependent claim 1, claim 5 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments fall within a predetermined range of expected payments to be received in said first time period. (See, e.g., paragraph 20).

**Dependent Claim 6**

To dependent claim 1, claim 6 adds, further comprising the act of transferring said one or

more portions of one or more of said rights to an entity. (See, e.g., paragraph 32).

**Dependent Claim 7**

To dependent claim 1, claim 7 adds, wherein said entity is a special purpose vehicle. (See, e.g., paragraph 32).

**Dependent Claim 8**

To independent claim 7, claim 8 adds, wherein said special purpose vehicle is one that facilitates an issuance of securities backed by said one or more portions of one or more of said plurality of rights. (See, e.g., paragraph 25 and 32).

**Dependent Claim 9**

To dependent claim 1, claim 9 adds, wherein said payments are royalty payments. (See, e.g., paragraph 28).

**Dependent Claim 10**

To dependent claim 1, claim 10 adds, wherein said rights are contractual rights. (See, e.g., paragraph 11).

**Independent Claim 11**

Independent claim 11 recites a computer readable medium that is an article of manufacture carrying one or more instructions which, when executed by one or more processors coupled to a memory, cause the one or more processors to carry out the following acts: selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or

more criteria; and identifying one or more portions of said one or more rights for transfer to an entity, said one or more portions corresponding to the one or more segments that correspond to the first time period, said one or more portions that are identified being transferred apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraphs 39-49)

**Dependent Claim 12**

To dependent claim 11, claim 12 adds, wherein a plurality of segments of the plurality of streams of expected payments are selected from a plurality of time periods including said first time period, wherein each of said plurality of time periods corresponds to at least one of said plurality of segments, and wherein a plurality of portions of said one or more rights are identified for transfer to an entity, said plurality of portions corresponding to the plurality of segments, said plurality of portions being identified for transfer apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraphs 39-49)

**Dependent Claim 13**

To dependent claim 1, claim 13 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments exceed a predetermined amount in said first time period. (See, e.g., paragraphs 32, 46, 48 and 49)

**Dependent Claim 14**

To dependent claim 13, claim 14 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments be closest to said predetermined amount relative to a second total amount of expected payments. (See, e.g., paragraph 20)

**Dependent Claim 15**

To dependent claim 11, claim 15 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments fall within a predetermined range of expected payments to be received in said first time period. (See, e.g., paragraph 20)

**Dependent Claim 16**

To dependent claim 11, claim 16 adds, wherein said payments are royalty payments.  
(See, e.g., paragraph 28)

**Dependent Claim 17**

To dependent claim 11, claim 17 adds, wherein said rights are contractual rights. (See, e.g., paragraph 11)

**Independent Claim 18**

Independent claim 18 recites an apparatus comprising one or more processors coupled to a memory storing instructions that are executed by said one or more processors such that said one or more processors select one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria and identify one or more portions of said one or more rights for transfer to an entity, said one or more portions corresponding to the one or more segments that correspond to the first time period, said one or more portions that are identified being transferred apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraphs 39-52).

**Dependent Claim 19**

To independent claim 18, claim 19 adds, wherein a plurality of segments of the plurality of streams of expected payments are selected from a plurality of time periods including said first time period, wherein each of said plurality of time periods corresponds to at least one of said plurality of segments, and wherein a plurality of portions of said one or more rights are identified for transfer to an entity, said plurality of portions corresponding to the plurality of segments, said

plurality of portions being identified for transfer apart from at least one remaining portion of at least one of said one or more rights. (See, e.g., paragraphs 39-52).

**Dependent Claim 20**

To independent claim 18, claim 20 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments exceed a predetermined amount in said first time period. (See, e.g., paragraphs 32, 46, 48 and 49)

**Dependent Claim 21**

To independent claim 20, claim 21 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments be closest to said predetermined amount relative to a second total amount of expected payments. (See, e.g., paragraph 20)

**Dependent Claim 22**

To dependent claim 18, claim 22 adds, wherein satisfaction of said one or more criteria requires that the first total amount of expected payments fall within a predetermined range of expected payments to be received in said first time period. (See, e.g., paragraph 20)

**Dependent Claim 23**

To dependent claim 18, claim 23 adds, wherein said payments are royalty payments. (See, e.g., paragraph 28)

**Dependent Claim 24**

To dependent claim 18, claim 24 adds, wherein said rights are contractual rights. (See, e.g., paragraph 11)

**Dependent Claim 25**

Independent claim 25 recites a method comprising for an identified time period, electronically selecting on one or more processors a segment from each of a plurality of expected streams of payments, said segment being of a duration that is shorter than that of at least one of

the plurality of expected streams of payments, each of the expected stream of payments to satisfy at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one an intellectual property asset, each said segment corresponding to the selected time period and being selected such that a total amount of payments associated with each said segment satisfies one or more predetermined criteria. In addition, claim 25 recites offering to transfer to an entity, an identified portion of said at least one right, said identified portion corresponding to the identified time period, said identified portion being distinct from a remaining portion of said at least one obligation. (See, e.g., paragraphs 39-52).

**Dependent Claim 26**

To dependent claim 1, claim 26 adds, determining the time period. (See, e.g., paragraphs 31-38).

**Dependent Claim 27**

To dependent claim 1, claim 27 adds, determining the one or more criteria. (See, e.g., paragraphs 31-38).

**Dependent Claim 28**

Independent claim 1, claim 28 adds identifying the portion of said at least one right. (See, e.g., paragraphs 31-38).

**Dependent Claim 29**

To independent claim 1, claim 29 adds, entering an agreement to transfer the identified portion of said at least one right. (See, e.g., paragraphs 31-38).

**Dependent Claim 30**

To independent claim 1, claim 30 adds, transferring the identified portion of said at least one right. (See, e.g., paragraphs 31-38).



**VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Applicant thanks the Examiner for withdrawing the rejection of claims 1-10, 11-17, 18-24 and 26-30 under 35 U.S.C. § 112 and for withdrawing the rejection of claims 11-17 and 23 under 35 U.S.C. § 101 per the Office Action dated 14 October 2009 (“the present Office Action”).

In view of the foregoing, each of claims 1, 6-11, 16-18, 23-24 and 27-30 remain rejected under 35 U.S.C. § 103(a) being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson). Applicant respectfully traverses, appeals, and requests reversal of this rejection of each of claims 1, 6-11, 16-18, 23-24 and 27-30. In addition, each of claims 2, 12, 19 and 25-26 remain rejected under 35 U.S.C. § 103(a) as being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson) as applied to claim 1 above with respect to claims 2 and 26, as applied to claim 11 above with respect to claim 12, as applied to claim 18 above with respect to claim 19 and in view of US Pub No. 2002/0138299 (Nations). Applicant respectfully traverses, appeals, and requests reversal of this rejection of each of claims 2, 12, 19 and 25-26.

In addition, each of claims 3, 5, 13, 15, 20 and 22 remain rejected under 35 U.S.C. § 103(a) as being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson) as applied to claim 1 above with respect to claims 3 and 5, as applied to claim 11 above with respect to claims 13 and 15, as applied to claims 18 above with respect to claims 20 and 22 and further in view of Official Notice. Applicant respectfully traverses, appeals, and requests reversal of this rejection of each of claims 3, 5, 13, 15, 20 and 22.

In addition, each of claims 4, 14 and 21 remain rejected under 35 U.S.C. § 103(a) as being obvious, and thus unpatentable over U.S. Patent No. 7,181,422 (Philip) in view of US Pub No. 2002/0099637 (Wilkinson), and Official Notice as applied to claims 1 and 3 above with respect to claim 4, as applied to claim 11 and 13 above with respect to claim 14, as applied to claims 18 and 20 above with respect to claim 21 and further in view of US Pub No. 2005/0097022 (Silman). Applicant respectfully traverses, appeals, and requests reversal of this rejection of each of claims 4, 14 and 21.

## VII. ARGUMENT

### A. Argument Election

For the purposes of this Appeal, Applicant respectfully elects to have claims 1, 11, 18, and 25 considered separately, such that each stands or falls alone.

For the purposes of this Appeal, Applicant respectfully elects to have claims 3, 4, 5, 13, 14, 15, 20, 21, and 22 considered separately, such that each stands or falls alone.

### B. Legal Standards

#### 1. Overview of *Prima Facie* Criteria for an Obviousness Rejection

The Patent Act, namely, 35 U.S.C. 103, forbids issuance of a patent when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art.”

In *KSR International Co. v. Teleflex, Inc.*, 550 U.S. 398 (2007), the Supreme Court interpreted this law while highlighting the typical invention process. “**Inventions** usually rely upon building blocks long since uncovered, and claimed discoveries **almost necessarily will be combinations** of what, in some sense, is already known” (emphasis added). Yet, to properly apply §103, the Court recognized the need to filter, via obviousness analyses, true inventions from mere ordinary technological advances. “Granting patent protection to advances that **would occur in the ordinary course** without real innovation retards progress and may, in the case of patents combining previously known elements, deprive prior inventions of their value or utility” (emphasis added).

Obviousness is a legal question based on underlying factual findings. *In re Gartside*, 203 F.3d 1305, 1316 (Fed. Cir. 2000). In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), 148 USPQ 459, the Supreme Court established factors regarding the factual inquiry required to establish obviousness. The factors include:

1. determining the scope and contents of the prior art;
2. ascertaining differences between the prior art and the claims at issue;
3. resolving the level of ordinary skill in the pertinent art; and
4. considering objective evidence indicating obviousness or nonobviousness.

Thus, the required factual determinations include, *inter alia*, the scope and content of the prior art, the level of skill in the art at the time of the invention, the objective evidence of nonobviousness, the presence or absence of a reason to combine, and whether a reference constitutes analogous prior art. *See In re Biggio*, 381 F.3d 1320, 1324 (Fed. Cir. 2004); *Gartside*, 203 F.3d at 1316; *Para-Ordinance Mfg. v. SGS Imps. Int'l.*, 73 F.3d 1085, 1088 (Fed. Cir. 1995); *In re GPAC, Inc.*, 57 F.3d 1573, 1577 (Fed. Cir. 1995). “What the prior art teaches and whether it teaches toward or away from the claimed invention also is a determination of fact.” *Para Ordinance Mfg.*, 73 F.3d at 1088 (citing *In re Bell*, 991 F.2d 781, 784 (Fed. Cir. 1993)).

*KSR* warned that “a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art”. Instead, “[i]n determining whether the invention as a whole would have been obvious under 35 U.S.C. 103, we must first delineate the invention as a whole. In delineating the invention as a whole, we look not only to the subject matter which is literally recited in the claim in question... but also to those properties of the subject matter which are inherent in the subject matter and are disclosed in the specification. . . Just as we look to a chemical and its properties when we examine the obviousness of a composition of matter claim, it is this invention **as a whole**, and not some part of it, which must be obvious under 35 U.S.C. 103.” *In re Antonie*, 559 F.2d 618, 620, 195 USPQ 6,8 (CCPA 1977) (emphasis in original).

*KSR* further explained that any proposed combinations of prior art can only support a finding of obviousness if “there was an apparent reason to combine the known elements in the way” claimed. If that proposed combination involves multiple patents”, those patents must provide “interrelated teachings”. *KSR* further clarified that the “[t]he question is not whether the combination was obvious to the patentee but whether the combination was obvious to a person with ordinary skill in the art”. Thus, in determining obviousness, both *KSR* and *Graham* warned against a “temptation to read into the prior art the teachings of the invention in issue” and instructed to “guard against slipping into the use of hindsight”.

To effectively guard against impermissible hindsight, *KSR* emphasized the “import[ance]” of “identify[ing] **a reason that would have prompted** a person of ordinary skill in the relevant field to combine the elements **in the way the claimed new invention does**”

(emphasis added). That is, “rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some **articulated reasoning** with some rational underpinning to support the legal conclusion of obviousness” (*quoting In re Kahn*, 441 F. 3d 977, 988 (Fed. Cir. 2006) (emphasis added)). Thus, “[t]o facilitate review, this analysis should be made explicit”.

Explaining the need for “**a reason that would have prompted** a person of ordinary skill”, *KSR* further taught that “if a **technique** has been used **to improve** one device, and a person of ordinary skill in the art **would recognize** that it would improve similar devices in the same **way**, using the technique is obvious unless its actual application is beyond his or her skill” (emphasis added). Further exploring this mandate, the Federal Circuit has held that “knowledge of a problem and motivation to solve it are entirely different from motivation to combine particular references”. *Innogenetics v. Abbott Laboratories*, 512 F.3d 1363, 1373 (Fed. Cir. 2008).

Thus, according to the Supreme Court, a proper obviousness rejection must “identify **a reason that would have prompted** a person of ordinary skill in the relevant field **to combine** the elements **in the way the claimed new invention does**” and must present substantial evidence that one of ordinary skill **would** recognize that alleged reason for making the particular claimed combination. It follows that if the alleged reason for making the particular combination of features is not evidenced to be art-recognized, then that reason **must be** based on impermissible hindsight.

In addition to establishing a proper reason to combine, a proper obviousness rejection must clearly identify proposed reference(s) that:

1. are pertinent;
2. provide a reasonable expectation of success; and
3. teach... all the claim limitations

*See* MPEP 2143; MPEP 2143.03, *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991); and additional citations *infra*.

The Federal Circuit has further held that “[w]hen there is a design need or market pressure to solve a problem”, obviousness is not supported unless “a finite, and in the context of

the art, small or easily traversed, number of options” “**would** convince an ordinarily skilled artisan of obviousness”. *Ortho-McNeil Pharmaceutical Inc. v. Mylan Laboratories Inc.*, 520 F.3d 1358, 1364 (Fed. Cir. 2008).

Consistent with other patentability rejections, to establish a *prima facie* case of obviousness, substantial evidence must be provided that fulfills the mandates of the applicable law. The “Patent Office has the initial duty of supplying the factual basis for its rejection.” *In re Warner*, 379 F.2d 1011, 154 USPQ 173, 178 (CCPA 1967), *cert. denied*, 389 U.S. 1057, *reh’g denied*, 390 U.S. 1000 (1968). “It may not... resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in its factual basis”. *Id.*

Moreover, it is legal error to “substitute[] supposed *per se* rules for the particularized inquiry required by section 103. It necessarily produces erroneous results.” *See, In re Ochiai*, 71 F.3d 1565, 1571, 37 USPQ2d 1127, 1132-33 (Fed. Cir. 1998); *In re Wright*, 343 F.2d 761, 769-770, 145 USPQ 182, 190 (CCPA 1965).

Only when “the examiner... carries the burden of making out a *prima facie* case of unpatentability, [does] ‘the burden of coming forward with evidence or argument shift[] to the applicant.’” *In re Alton*, 76 F.3d 1168, 37 USPQ2d 1578 (Fed. Cir. 1996) (*quoting In re Oetiker*, 977 F.2d at 1445, 24 USPQ2d at 1444).

## **2. Claim Construction**

Before the *prima facie* obviousness criteria can be applied, the words of each claim must be interpreted. The Federal Circuit, in *Phillips v. AWH Corp.*, 415 F.3d 1303, 75 USPQ2d 1321 (Fed. Cir. 2005) (*en banc*), *cert. denied*, 546 U.S. 1170, 126 S.Ct. 1332, 164 L.Ed.2d 49 (2006) clarified that:

1. “[t]he Patent and Trademark Office (‘PTO’) determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction ‘**in light of the specification as it would be interpreted by one of ordinary skill in the art**’” (*Id.* at 1316);
2. the words of a claim “are generally given their ordinary and customary meaning” (*Id.* at 1312);
3. the ordinary and customary meaning of a claim term is “the meaning that the term

- would have to a person of ordinary skill in the art in question at the time of the invention, i.e., as of the effective filing date of the patent application” (*Id.* at 1313);
4. “the person of ordinary skill in the art is deemed to read the claim term not only in the context of the particular claim in which the disputed term appears, but **in the context of the entire patent**, including the specification” (*Id.*);
  5. even “the context in which a term is used in the asserted claim can be highly instructive” (*Id.* at 1314);
  6. “the specification may reveal a special definition given to a claim term by the patentee that differs from the meaning it would otherwise possess. In such cases, **the inventor’s lexicography governs**” (*Id.* at 1316);
  7. even “when guidance is not provided in explicit definitional format, **the specification may define claim terms by implication** such that the meaning may be found in or ascertained by a reading of the patent documents” (*Id.* at 1321);
  8. an “invention is construed not only in the light of the claims, but also with reference to the file wrapper or prosecution history in the Patent Office” (*Id.* at 1317 (*citing Graham v. John Deere Co.*, 383 U.S. 1, 33 (1966))); and
  9. the “prosecution history... consists of the complete record of the proceedings before the PTO and **includes the prior art cited** during the examination of the patent” (*Id.* at 1317).

The rules established in *Phillips* apply to *ex parte* examination in the USPTO. *See, In re Kumar*, 418 F.2d 1361 (Fed. Cir. 2005).

### **3. All Words in a Claim Must Be Considered**

“To establish *prima facie* obviousness..., ‘[a]ll words in a claim must be considered’”. MPEP 2143.03, *quoting In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970); *see also, In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974); *In re Wilder*, 429 F.2d 447, 166 USPQ 545, 548 (CCPA 1970); *In re Angstadt*, 537 F.2d 498, 190 USPQ 214, 217 (CCPA 1976); *In re Geerdes*, 491 F.2d 1260, 180 USPQ 789, 791 (CCPA 1974).

### **4. Official Notice**

Regarding Official Notice, MPEP § 2144.03.A states (emphasis added):

[i]t would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of... specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. *See also In re Grose*, 592 F.2d 1161, 1167-68, 201 USPQ 57, 63 (CCPA 1979).

Further, if an applicant traverses the examiner's assertion of Official Notice, the examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (“[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”).

Deficiencies of the cited references cannot be remedied by general conclusions about what is basic knowledge or common sense to one of ordinary skill in the art. *In re Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001). An assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* That is, such unfounded assertions are not permissible substitutes for evidence. *See, In re Lee*, 277 F.3d 1338, 1435, 61 USPQ2d 1430, 1435 (Fed. Cir. 2002).

Thus, to the extent that Official Notice is explicitly or implicitly utilized to support any rejection, in this or a future Office Action, each such rejection is respectfully traversed and citation and provision of a reference that supports the rejection is respectfully requested.

## **5. Inherency**

Inherency “requires that the missing descriptive material is ‘necessarily present,’ not merely probably or possibly present, in the prior art.” *Trintec Indus., Inc. v. Top-U.S.A. Corp.*, 295 F.3d 1292, 1295, 63 USPQ2d 1597, 1599 (Fed. Cir. 2002).

## **6. Unfounded Assertions of Knowledge**

Deficiencies of the cited references cannot be remedied by general conclusions about what is basic knowledge or common sense to one of ordinary skill in the art. *In re Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001). An assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* That is, such unfounded assertions are not permissible substitutes for evidence. *See, In re Lee*, 277 F.3d 1338, 1435, 61 USPQ2d 1430, 1435 (Fed. Cir. 2002).

#### **7. Specific Citations Required**

According to 37 C.F.R. 1.104(c)(2), “When a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on **must** be designated as nearly as practicable.” *See also*, MPEP 707.07(d), “where a claim is refused for any reason relating to the merits thereof it should be ‘rejected’ and the ground of rejection fully and clearly stated” and MPEP 706.02(i), “**the particular part of the reference relied upon to support the rejection should be identified.**”

#### **8. The Application of *Per Se* Rules in Place of Facts**

The application of a *per se* rule to reject a claim constitutes legal error because it bypasses the particularized fact-specific inquiry required by 35 USC § 103(a). *See, In re Ochiai*, 71 F.3d 1565, 1571, 37 USPQ2d 1127, 1132-33 (Fed. Cir. 1998); *In re Wright*, 343 F.2d 761, 769-770, 145 USPQ 182, 190 (CCPA 1965).

#### **9. Pertinent Prior Art References**

The Graham analysis requires that, to rely on a prior art reference as a basis for a rejection, the USPTO must show that the reference is “reasonably pertinent to the particular problem with which the invention was involved.” *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 664, 57 USPQ2d 1161, 1166 (Fed. Cir. 2000); *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1535, 218 USPQ 871, 876 (Fed. Cir. 1983); *In re Deminski*, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986); *In re Oetiker*, 977 F.2d 1443, 1447 (Fed. Cir. 1992); *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006).

“References are selected as being reasonably pertinent to the problem based on the



judgment of a person having ordinary skill in the art.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (“[I]t is necessary to consider ‘the reality of the circumstances,’—in other words, common sense—in deciding in which fields a person of ordinary skill would reasonably be expected to look for a solution to the problem facing the inventor” (*quoting In re Wood*, 599 F.2d 1032, 1036 (C.C.P.A. 1979))).

“If a reference disclosure has the same purpose as the claimed invention, the reference relates to the same problem, and that fact supports use of that reference in an obviousness rejection. An inventor may well have been motivated to consider the reference when making his invention. If it is directed to a different purpose, the inventor would accordingly have had less motivation or occasion to consider it.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (*citing In re Clay*, 966 F.2d 656, 659-60 (Fed. Cir. 1992)).

Yet “[d]efining the problem in terms of its solution reveals improper hindsight in the selection of the prior art relevant to obviousness.” *In re Kahn*, 441 F.3d 977 (Fed. Cir. 2006) (*quoting Ecolochem, Inc. v. S. Cal. Edison Co.*, 227 F.3d 1361, 1372 (Fed. Cir. 2000)).

## **10. Selection of Portions of References**

“It is impermissible within the framework of section 103 to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art.” *In re Hedges*, 783 F.2d 1038, 1041 (Fed. Cir. 1986) (*quoting In re Wesslau*, 353 F.2d 238, 241 (CCPA 1965)).

## **11. The Applied Reference(s) Must present All Claim Limitations**

“To establish a prima facie case of obviousness... the prior art reference (or references when combined) must teach or suggest all the claim limitations.” MPEP 2143.

The proposed modification or combination must provide the structure recited in the claims and produce the result attained by that structure. *See In re Schulpen*, 390 F.2d 1009 (C.C.P.A., 1968).

## **A. ANALYSIS**

**1. Claim 1**

**a. *Prima facie* Obviousness**

The Examiner states that Philip teaches “selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria.”

Although the Examiner asserts that Philip teaches that an asset is broken into multiple segments in the manner claimed. That is not the case. Philip teaches that “securitization of financial assets is used by financial institutions to sell interests in pools of financial assets”, where “a financial asset can be any promise of a future flow of money.” Philip at 6-9. Philip further teaches that “interests in selected portions or tranches of the pool may be sold”, where “tranches represent a defined and limited aspect of the assets within the pool.” Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach selecting segment(s) from each of a plurality of streams of expected payments of the type recited in the claim, where the segments correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.

The portions of Philip relied upon by the Examiner simply fails to teach the parsing of each of the streams of expected payments into segment(s), where the segment(s) correspond to a first time period that is shorter than a second time period over which at least one of the streams of expected payments is expected to extend. On page 6, lines 11-18 of the Office Action, the Examiner indicates that Philip “teaches defined rules for tranche segments ... custom structuring of tranches based upon specified characteristics ... [and] indexing tranches”, as if to say Applicant was claiming these general concepts. Nowhere does Philip teach “selecting on one or more processors one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights

to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.”

In the present Office Action, the Examiner asserts that “segments correspond to a first time period having a first duration that is less than a second time period (see in at least Col 4 lines 4-15, wherein the tranche (segment) based upon 6 month history, 80% paid under 40 days, (see table Col. 9 wherein the prior art teaches security type, maturity date), col 4 lines 20-55 wherein the prior art teaches senior and multiple tranches which implies different purchase and maturity dates.”

With regard to Philip, the recited portion of col. 4, lines 4-15 discloses as follows:

*For example, an investment bank may wish to define a security based upon assets with a specified set of characteristics. For example, an investment bank may wish to purchase only accounts receivable from that set of accounts receivable of which, based upon a six-month history, eighty percent are paid in under 40 days. There are two components of rules that may be employed in selecting assets into pools: (i) rules to decide which assets to purchase based on the characteristics of the assets themselves and (ii) rules to decide which assets to purchase based on their effect on the aggregate parameters of the pool that would change if the assets were to be added to the pool. (col. 4 lines 4-15.*

Although the above-referenced portion of Philip teaches selecting an accounts receivable, which corresponds to money owed on a particular invoice, the reference does not teach the “selecting” step of claim 1, which calls for “selecting one or more segments of each of a plurality of streams of expected payments” where the or more segments (selected from each of the plurality of streams of expected payments) correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.<sup>1</sup> Rather, Philip teaches selecting a receivable based on historical performance information associated with the particular set of accounts receivables from which it is selected. Philip does not teach selecting a receivable that corresponds to a segment of any particular stream of expected payments in the future and there is simply no

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<sup>1</sup> This is also true of the other portions of Philip relied upon by the Examiner (see col. 1, lines 33-44; col. 3, lines 36-47 (including lines 38-45); col. 4., lines 20-55; or the entirety of col. 9 (including the table), which fail to teach “selecting one or more segments of each of a plurality of expected payments” in the manner called for by claim 1.

teaching to that effect by Philip. Even assuming that Philip taught selecting a receivable that corresponds to a particular stream of expected payments, it does not teach selecting such a receivable from another stream of expected payments that also corresponds to the same time period.

On page 5, line 8 of the present Office Action, although the Examiner indicates that accounts receivables are necessarily payment streams, that is simply not the case, as an accounts receivable is simply money owed on a particular invoice. There is simply no teaching by Philip that the accounts receivables necessarily correspond to an expected stream of payments in the future, let alone payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets.

Because Philip fails to teach selecting segments in the manner claimed, the reference fails to teach that the “segment(s) are selected such that a first total amount of expected payments associated with said segment(s) satisfies one or more criteria” or to teach “identifying one or more portions of said one or more rights for transfer to an entity”, where the portion(s) correspond to the segment(s) that correspond to the first period.

In addition, the Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets). However, the Examiner makes two arguments as to why the fact that Philip does not teach the use of intellectual property assets does not negatively impact the Examiner’s obviousness analysis.

On page 5, lines 18-20 of the present Office Action, the Examiner argues that “Intellectual property assets are a financial asset is a promise of future flow of money, and would have been obvious to substitute one financial asset for another.” Applicant disagrees that intellectual property assets can necessarily be equated with a future flow of money in every instance or that their suitability for use in connection with particular financial transactions can be assumed.

In addition, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches

securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting ... segments” or “identifying ... portions ... corresponding to the one or more segments” in the manner claimed. The present invention of claim 1 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitates securitizing the underlying rights to receive those payments. The Philip and Wilkinson references simply do not provide this advantage. On page 6, lines 1-10, the Examiner indicates that “the prior art ‘422 [(i.e., Philip)] in view of ‘637 [(i.e., Wilkinson)] explicitly teach payment streams from financial assets in interest in intellectual property assets (see ‘637 para 0004). Again, Philip does not teach anything about intellectual property assets. And although Wilkinson teaches an intellectual property investment process generally, that by itself does not mean that one skilled in the art would appreciate how to combine the teachings of Philip and Wilkison in the manner contemplated by the Examiner.

For at least the reasons mentioned above, Applicant respectfully submits that independent claim 1 would not have been rendered obvious by the combination of Philip and Wilkinson.

**b. Conclusion**

Consequently, for at least the reasons mentioned above, a reversal of the rejections of claim 1 is respectfully requested.

**2. Claim 2**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 2 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 2. The Examiner relies upon Nations only to address specific limitations of dependent claim 2 and not the limitations of independent claim 1 upon which it depends, and the portions of Nations relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson noted above in connection with claim 1. Thus,

dependent claim 2 would not have been rendered obvious by the teachings of Philip, Wilkinson and Nations.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 2 is respectfully requested.

**3. Claim 3**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 1, Applicant respectfully submits that dependent claim 3 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 3, and not the limitations of independent claim 1 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 3 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) ("[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the

record in support of these findings.”). The Examiner has not done so. Also, the Examiner’s reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments that are addressed by the invention of claim 3.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 3 is respectfully requested.

**4. Claim 4**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 1 and dependent claim 3, Applicant respectfully submits that dependent claim 4 also would not have been rendered obvious by the combination of Philip, Wilkinson and the Official Notice. The Examiner relies upon Silman only to address the specific limitations of dependent claim 4, and not the limitations of independent claim 1 and dependent claim 3 upon which they ultimately depend, and the portions of Silman relied upon by the Examiner do not account for the deficiencies of Philip Wilkinson and the Official Notice. Thus, dependent claim 4 would not have been rendered obvious by the teachings of Philip, Wilkinson, Official Notice and Silman.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 4 is respectfully requested.

**5. Claim 5**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the

reasons mentioned above with respect to independent claim 1, Applicant respectfully submits that dependent claim 5 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 5, and not the limitations of independent claim 1 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 5 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (“[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”). The Examiner has not done so. Also, the Examiner's reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments that are addressed by the invention of claim 5.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 5 is respectfully requested.



**6. Claim 6**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 6 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 6.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 6 is respectfully requested.

**7. Claim 7**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 7 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 7.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 7 is respectfully requested.

**8. Claim 8**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 8 depends upon claim 7, Applicant incorporates each and every argument, *supra*, regarding claim 7 into this traversal of the rejection of claim 8.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 8 is respectfully requested.

**9. Claim 9**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 9 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 9.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 9 is respectfully requested.

**10. Claim 10**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 10 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 10.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 10 is respectfully requested.

**11. Claim 11**

**a. *Prima facie* Criteria**

The Examiner states that Philip teaches “selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria.”

Although the Examiner asserts that Philip teaches that an asset is broken into multiple segments in the manner claimed. That is not the case. Philip teaches that “securitization of financial assets is used by financial institutions to sell interests in pools of financial assets”, where “a financial asset can be any promise of a future flow of money.” Philip at 6-9. Philip further teaches that “interests in selected portions or tranches of the pool may be sold”, where “tranches represent a defined and limited aspect of the assets within the pool.” Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach selecting segment(s) from each of a plurality of streams of expected payments of the type recited in the claim, where the segments correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.

The portions of Philip relied upon by the Examiner simply fails to teach the parsing of each of the streams of expected payments into segment(s), where the segment(s) correspond to a first time period that is shorter than a second time period over which at least one of the streams of expected payments is expected to extend. On page 6, lines 11-18 of the Office Action, the Examiner indicates that Philip “teaches defined rules for tranche segments ... custom structuring of tranches based upon specified characteristics ... [and] indexing tranches”, as if to say Applicant was claiming these general concepts. Nowhere does Philip teach “selecting on one or more processors one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.”

In the present Office Action, the Examiner asserts that “segments correspond to a first time period having a first duration that is less than a second time period (see in at least Col 4 lines 4-15, wherein the tranche (segment) based upon 6 month history, 80% paid under 40 days, (see table Col. 9 wherein the prior art teaches security type, maturity date), col 4. lines 20-55 wherein the prior art teaches senior and multiple tranches which implies different purchase and maturity dates.”

With regard to Philip, the recited portion of col. 4, lines 4-15 discloses as follows:

*For example, an investment bank may wish to define a security based upon assets with a specified set of characteristics. For example, an investment bank 20 may wish to purchase only accounts receivable from that set of accounts receivable of which, based upon a six-month history, eighty percent are paid in under 40 days. There are two components of rules that may be employed in selecting assets into pools: (i) rules to decide which assets to purchase based on the characteristics of the assets themselves and (ii) rules to decide which assets to purchase based on their effect on the aggregate parameters of the pool that would change if the assets were to be added to the pool. (col. 4 lines 4-15.*

Although the above-referenced portion of Philip teaches selecting an accounts receivable, which corresponds to money owed on a particular invoice, the reference does not teach the “selecting” step of claim 11, which calls for “selecting one or more segments of each of a plurality of streams of expected payments” where the or more segments (selected from each of the plurality of streams of expected payments) correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.<sup>2</sup> Rather, Philip teaches selecting a receivable based on historical performance information associated with the particular set of accounts receivables from which it is selected. Philip does not teach selecting a receivable that corresponds to a segment of any particular stream of expected payments in the future and there is simply no teaching to that effect by Philip. Even assuming that Philip taught selecting a receivable that corresponds to a particular stream of expected payments, it does not teach selecting a receivable from another stream of expected payments that also corresponds to the same time period.

On page 5, line 8 of the present Office Action, although the Examiner indicates that accounts receivables are necessarily payment streams, that is simply not the case, as an accounts receivable is simply money owed on a particular invoice. There is simply no teaching by Philip that the accounts receivables necessarily correspond to an expected stream of payments in the future, let alone payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets.

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<sup>2</sup> This is also true of the other portions of Philip relied upon by the Examiner (see col. 1, lines 33-44; col. 3, lines 36-47 (including lines 38-45); col. 4., lines 20-55; or the entirety of col. 9 (including the table), which fail to teach “selecting one or more segments of each of a plurality of expected payments” in the manner called for by claim 11.

Because Philip fails to teach selecting segments in the manner claimed, the reference fails to teach that the “segment(s) are selected such that a first total amount of expected payments associated with said segment(s) satisfies one or more criteria” or to teach “identifying one or more portions of said one or more rights for transfer to an entity”, where the portion(s) correspond to the segment(s) that correspond to the first period.

In addition, the Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets). However, the Examiner makes two arguments as to why the fact that Philip does not teach the use of intellectual property assets does not negatively impact the Examiner’s obviousness analysis.

On page 5, lines 18-20 of the present Office Action, the Examiner argues that “Intellectual property assets are a financial asset is a promise of future flow of money, and would have been obvious to substitute one financial asset for another.” Applicant disagrees that intellectual property assets can necessarily be equated with a future flow of money in every instance or that their suitability for use in connection with particular financial transactions can be assumed.

In addition, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting ... segments” or “identifying ... portions ... corresponding to the one or more segments” in the manner claimed. The present invention of claim 1 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitates securitizing the underlying rights to receive those payments. The Philip and Wilkinson references simply do not provide this advantage. On page 6, lines 1-10, the Examiner indicates that “the prior art ‘422 [(i.e., Philip)] in view of ‘637 [(i.e., Wilkinson)] explicitly teach payment streams from financial assets in interest in intellectual property assets (see ‘637 para 0004). Again, Philip does not teach anything about intellectual

property assets. And although Wilkinson teaches an intellectual property investment process generally, that by itself does not mean that one skilled in the art would appreciate how to combine the teachings of Philip and Wilkison in the manner contemplated by the Examiner.

For at least the reasons mentioned above, Applicant respectfully submits that independent claim 11 would not have been rendered obvious by the combination of Philip and Wilkinson.

**a. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 11 is respectfully requested.

**12. Claim 12**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 12 depends upon claim 11, Applicant incorporates each and every argument, *supra*, regarding claim 11 into this traversal of the rejection of claim 12. The Examiner relies upon Nations only to address specific limitations of dependent claim 12 and not the limitations of independent claims 11 upon which it depends, and the portions of Nations relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson noted above in connection with claim 11. Thus, dependent claims 12 would not have been rendered obvious by the teachings of Philip, Wilkinson and Nations.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 12 is respectfully requested.

**13. Claim 13**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 11, Applicant respectfully submits

that dependent claim 13 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 13, and not the limitations of independent claim 11 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 3 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (“[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”). The Examiner has not done so. Also, the Examiner's reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments that are addressed by the invention of claim 13.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 13 is respectfully requested.

**14. Claim 14**

**c. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 11 and dependent claim 13, Applicant respectfully submits that dependent claim 14 also would not have been rendered obvious by the combination of Philip, Wilkinson and the Official Notice. The Examiner relies upon Silman only to address the specific limitations of dependent claim 14, and not the limitations of independent claim 11 and dependent claim 13 upon which it ultimately depends, and the portions of Silman relied upon by the Examiner do not account for the deficiencies of Philip Wilkinson and the Official Notice. Thus, dependent claim 14 would not have been rendered obvious by the teachings of Philip, Wilkinson, Official Notice and Silman.

**d. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 14 is respectfully requested.

**15. Claim 15**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 11, Applicant respectfully submits that dependent claim 15 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 15, and not the limitations of independent claim 11 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 15 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered



common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) ("[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). The Examiner has not done so. Also, the Examiner's reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments addressed by the invention of claim 15.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 15 is respectfully requested.

**16. Claim 16**

**c. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 16 depends upon claim 11, Applicant incorporates each and every argument, *supra*, regarding claim 11 into this traversal of the rejection of claim 16.

**d. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 16 is respectfully requested.

**17. Claim 17**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 17

depends upon claim 11, Applicant incorporates each and every argument, *supra*, regarding claim 11 into this traversal of the rejection of claim 17.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 17 is respectfully requested.

**18. Claim 18**

**a. *Prima facie* Criteria**

The Examiner states that Philip teaches “selecting one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend, wherein said one or more segments are selected such that a first total amount of expected payments associated with said one or more segments satisfies one or more criteria.”

Although the Examiner asserts that Philip teaches that an asset is broken into multiple segments in the manner claimed. That is not the case. Philip teaches that “securitization of financial assets is used by financial institutions to sell interests in pools of financial assets”, where “a financial asset can be any promise of a future flow of money.” Philip at 6-9. Philip further teaches that “interests in selected portions or tranches of the pool may be sold”, where “tranches represent a defined and limited aspect of the assets within the pool.” Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach selecting segment(s) from each of a plurality of streams of expected payments of the type recited in the claim, where the segments correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.

The portions of Philip relied upon by the Examiner simply fails to teach the parsing of each of the streams of expected payments into segment(s), where the segment(s) correspond to a first time period that is shorter than a second time period over which at least one of the streams

of expected payments is expected to extend. On page 6, lines 11-18 of the Office Action, the Examiner indicates that Philip “teaches defined rules for tranche segments ... custom structuring of tranches based upon specified characteristics ... [and] indexing tranches”, as if to say Applicant was claiming these general concepts. Nowhere does Philip teach “selecting on one or more processors one or more segments of each of a plurality of streams of expected payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets, said one or more segments corresponding to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of expected payments is expected to extend.”

In the present Office Action, the Examiner asserts that “segments correspond to a first time period having a first duration that is less than a second time period (see in at least Col 4 lines 4-15, wherein the tranche (segment) based upon 6 month history, 80% paid under 40 days, (see table Col. 9 wherein the prior art teaches security type, maturity date), col 4 lines 20-55 wherein the prior art teaches senior and multiple tranches which implies different purchase and maturity dates.”

With regard to Philip, the recited portion of col. 4, lines 4-15 discloses as follows:

*For example, an investment bank may wish to define a security based upon assets with a specified set of characteristics. For example, an investment bank may wish to purchase only accounts receivable from that set of accounts receivable of which, based upon a six-month history, eighty percent are paid in under 40 days. There are two components of rules that may be employed in selecting assets into pools: (i) rules to decide which assets to purchase based on the characteristics of the assets themselves and (ii) rules to decide which assets to purchase based on their effect on the aggregate parameters of the pool that would change if the assets were to be added to the pool. (col. 4 lines 4-15.*

Although the above-referenced portion of Philip teaches selecting an accounts receivable, which corresponds to money owed on a particular invoice, the reference does not teach the “selecting” step of claim 18, which calls for “select[ing] one or more segments of each of a plurality of streams of expected payments” where the or more segments (selected from each of the plurality of streams of expected payments) correspond to a first time period having a first duration that is less than a second duration of a second time period over which at least one of the streams of

expected payments is expected to extend.<sup>3</sup> Rather, Philip teaches selecting a receivable based on historical performance information associated with the particular set of accounts receivables from which it is selected. Philip does not teach selecting a receivable that corresponds to a segment of any particular stream of expected payments in the future and there is simply no teaching to that effect by Philip. Even assuming that Philip taught selecting a receivable that corresponds to a particular stream of expected payments, it does not teach selecting such a receivable from another stream of expected payments that also corresponds to the same time period.

On page 5, line 8 of the present Office Action, although the Examiner indicates that accounts receivables are necessarily payment streams, that is simply not the case, as an accounts receivable is simply money owed on a particular invoice. There is simply no teaching by Philip that the accounts receivables necessarily correspond to an expected stream of payments in the future, let alone payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets.

Because Philip fails to teach selecting segments in the manner claimed, the reference fails to teach that the “segment(s) are selected such that a first total amount of expected payments associated with said segment(s) satisfies one or more criteria” or to teach “identify[ing] one or more portions of said one or more rights for transfer to an entity”, where the portion(s) correspond to the segment(s) that correspond to the first period.

In addition, the Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments that are to satisfy a plurality of obligations to provide payments to a holder of one or more rights to receive such payments in exchange for transfers of interests in one or more intellectual property assets). However, the Examiner makes two arguments as to why the fact that Philip does not teach the use of intellectual property assets does not negatively impact the Examiner’s obviousness analysis.

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<sup>3</sup> This is also true of the other portions of Philip relied upon by the Examiner (see col. 1, lines 33-44; col. 3, lines 36-47 (including lines 38-45); col. 4., lines 20-55; or the entirety of col. 9 (including the table), which fail to teach “selecting one or more segments of each of a plurality of expected payments” in the manner called for by claim 18.

On page 5, lines 18-20 of the present Office Action, the Examiner argues that “Intellectual property assets are a financial asset is a promise of future flow of money, and would have been obvious to substitute one financial asset for another.” Applicant disagrees that intellectual property assets can necessarily be equated with a future flow of money in every instance or that their suitability for use in connection with particular financial transactions can be assumed.

In addition, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting ... segments” or “identifying ... portions ... corresponding to the one or more segments” in the manner claimed. The present invention of claim 1 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitates securitizing the underlying rights to receive those payments. The Philip and Wilkinson references simply do not provide this advantage. On page 6, lines 1-10, the Examiner indicates that “the prior art ‘422 [(i.e., Philip)] in view of ‘637 [(i.e., Wilkinson)] explicitly teach payment streams from financial assets in interest in intellectual property assets (see ‘637 para 0004). Again, Philip does not teach anything about intellectual property assets. And although Wilkinson teaches an intellectual property investment process generally, that by itself does not mean that one skilled in the art would appreciate how to combine the teachings of Philip and Wilkison in the manner contemplated by the Examiner.

For at least the reasons mentioned above, Applicant respectfully submits that independent claim 18 would not have been rendered obvious by the combination of Philip and Wilkinson.

**b. Conclusion**

Consequently, for at least the reasons mentioned above, a reversal of the rejections of claim 18 is respectfully requested.

**19. Claim 19**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 19 depends upon claim 18, Applicant incorporates each and every argument, *supra*, regarding claim 18 into this traversal of the rejection of claim 19. The Examiner relies upon Nations only to address specific limitations of dependent claims 19 and not the limitations of independent claim 18 upon which it depends, and the portions of Nations relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson noted above in connection with claim 18. Thus, dependent claim 19 would not have been rendered obvious by the teachings of Philip, Wilkinson and Nations.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 19 is respectfully requested.

**20. Claim 20**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 18, Applicant respectfully submits that dependent claim 20 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 20, and not the limitations of independent claim 18 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 20 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the

prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) ("[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings."). The Examiner has not done so. Also, the Examiner's reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 20 is respectfully requested.

**21. Claim 21**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 18 and dependent claim 20, Applicant respectfully submits that dependent claim 21 also would not have been rendered obvious by the combination of Philip, Wilkinson and the Official Notice. The Examiner relies upon Silman only to address the specific limitations of dependent claim 21, and not the limitations of independent claim 18 and dependent claim 20 upon which they ultimately depend, and the portions of Silman relied upon by the Examiner do not account for the deficiencies of Philip Wilkinson and the Official Notice. Thus, dependent claim 21 would not have been rendered obvious by the teachings of Philip, Wilkinson, Official Notice and Silman.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 21 is respectfully requested.

## **22. Claim 22**

### **a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. For at least the reasons mentioned above with respect to independent claim 18, Applicant respectfully submits that dependent claim 22 also would not have been rendered obvious by the combination of Philip and Wilkinson. The Examiner relies upon Official Notice only to address the specific limitations of dependent claim 22, and not the limitations of independent claim 18 upon which it depends, and the Official Notice relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson. Thus, dependent claim 22 would not have been rendered obvious by the teachings of Philip, Wilkinson and the Official Notice.

In addition, Applicant does not agree that the Official Notice is appropriate because no evidentiary support is offered in connection with the assertions made or as to what inferences should appropriately be drawn from the Official Notice taken as they pertain to the alleged obviousness of the invention. In the present Office Action, the Examiner indicates that Applicant has failed to argue why the Official Notice statements are not to be considered common knowledge. Applicant disagrees that it is the Applicant's burden to establish what the prior art does not teach. Rather, it is the Examiner's burden to prove what the prior art does teach. As noted above, if an applicant traverses the examiner's assertion of Official Notice, the Examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. *See* 37 CFR 1.104(c)(2) and MPEP 2144.03C. *See also In re Zurko*, 258 F.3d 1379, 1386, 59 USPQ2d 1693, 1697 (Fed. Cir. 2001) (“[T]he Board cannot simply reach conclusions based on its own understanding or experience, or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.”). The Examiner has not done so. Also, the Examiner's reliance on Official Notice is misleading. Rather than address streams of intellectual property based streams of expected payments, the Examiner is taking notice as to securities and



benchmarking generally without establishing how those concepts relate specifically to intellectual property based streams of expected payments addressed by the invention of claim 22.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 22 is respectfully requested.

**23. Claim 23**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 23 depends upon claim 18, Applicant incorporates each and every argument, *supra*, regarding claim 18 into this traversal of the rejection of claim 23.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 23 is respectfully requested.

**24. Claim 24**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 24 depends upon claim 18, Applicant incorporates each and every argument, *supra*, regarding claim 18 into this traversal of the rejection of claim 24.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 24 is respectfully requested.

**25. Claim 25**

**a. *Prima facie* Criteria**

Claim 25 recites a method comprising for an identified time period, electronically selecting on one or more processors a segment from each of a plurality of expected streams of

payments, said segment being of a duration that is shorter than that of at least one of the plurality of expected streams of payments, each of the expected stream of payments to satisfy at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one an intellectual property asset, each said segment corresponding to the selected time period and being selected such that a total amount of payments associated with each said segment satisfies one or more predetermined criteria. In addition, claim 25 recites offering to transfer to an entity, an identified portion of said at least one right, said identified portion corresponding to the identified time period, said identified portion being distinct from a remaining portion of said at least one obligation

Applicant disagrees with the Examiner's assertion that Philip teaches that an asset is broken into multiple segments in the manner claimed. Philip teaches that "securitization of financial assets is used by financial institutions to sell interests in pools of financial assets", where "a financial asset can be any promise of a future flow of money." Philip at 6-9. Philip further teaches that "interests in selected portions or tranches of the pool may be sold", where "tranches represent a defined and limited aspect of the assets within the pool." Philip at 32-34. However, none of the portions of Philip relied upon by the Examiner teach, for an identified time period, selecting a segment from each of a plurality of expected streams of payments, said segment being of a duration that is shorter than that of at least one of the plurality of expected streams of payments." The portions of Philip relied upon by the Examiner simply fails to teach selecting such a segment. In addition, because as the Examiner acknowledges, Philip does not teach anything relating to intellectual property assets, the reference fails to teach selecting a segment of an expected stream of payments of the type (i.e., payments satisfying at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one intellectual property asset) recited in the claim.

Because Philip fails to teach selecting a segment in the manner claimed, the reference fails to teach that "each segment is selected such that a total amount of payments associated with each and every segment so selected satisfies one or more predetermined criteria" or to teach "offering to transfer to an entity, an identified portion of said at least one right, said identified

portion corresponding to the identified time period [corresponding to each segment], said identified portion being distinct from a remaining portion of said at least one obligation.”

The Examiner acknowledges that Philip does not teach “intellectual property assets”. As such, the reference does not teach selecting segments of each of a plurality of streams of expected payments of the type claimed (i.e., payments satisfying at least one obligation to provide payments to a holder of at least one right to receive such payments in exchange for a transfer of at least one interest in at least one intellectual property asset). However, the Examiner argues that U.S. Pub No. 20002/0099637 (Wilkinson) “teaches securitizing IP and creating financial instruments from IP assets.” Yet the portions of Wilkinson relied upon by the Examiner fail to account for the deficiencies of Philip in that they fail to teach “selecting a segment” or “offering ... an identified portion of said at least one right, said identified portion corresponding to the identified time period” that corresponds to each segment. In the manner claimed. Although the Examiner argues that Nations teaches periodic tranches, Nations does not relate to IP assets and does not teach “selecting a segment from each of a plurality of expected streams of payments” in the manner recited in claim 25. As such the Nations reference does not overcome the deficiencies of Philip and Wilkinson.

The present invention of claim 25 carries out these steps in order to facilitate providing relatively smooth IP based payment streams over a particular time period when the expected IP based payment streams are predicted to be variable over that period, which, in turn, greatly facilitate securitizing the underlying rights to receive those payments. The Philip, Wilkinson and Nations references simply do not provide this advantage.

## **b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 25 is respectfully requested.

## **26. Claim 26**

### **a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 26

depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 26. The Examiner relies upon Nations only to address specific limitations of dependent claims 26 and not the limitations of independent claims 1 upon which it depends, and the portions of Nations relied upon by the Examiner does not account for the deficiencies of Philip and Wilkinson noted above in connection with claim 1. Thus, dependent claim 26 would not have been rendered obvious by the teachings of Philip, Wilkinson and Nations.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 26 is respectfully requested.

**27. Claim 27**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 27 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 27.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 27 is respectfully requested.

**28. Claim 28**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 28 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 28.

**b. Conclusion**

Consequently, for at least the reasons mentioned above, a reversal of the rejections of claim 28 is respectfully requested.

**29. Claim 29**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 29 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 28 into this traversal of the rejection of claim 29.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 29 is respectfully requested.

**30. Claim 30**

**a. *Prima facie* Criteria**

None of the applied portions of the references relied upon in the Office Action, whether considered alone or in combination, establish a *prima facie* case of obviousness. Since claim 30 depends upon claim 1, Applicant incorporates each and every argument, *supra*, regarding claim 1 into this traversal of the rejection of claim 30.

**b. Conclusion**

Accordingly, for at least the reasons mentioned above, a reversal of the rejections of claim 30 is respectfully requested.

**VIII. CLAIMS APPENDIX**

Appendix A sets forth all pending claims in the state in which they were appealed.

**IX. EVIDENCE APPENDIX**

Appendix B sets forth copies of any evidence submitted pursuant to 37 C.F.R. § 1.130, 37 C.F.R. § 1.131, or 37 C.F.R. § 1.132 or of any other evidence entered by the examiner and relied upon by appellant in the appeal, along with a statement setting forth where in the record that evidence was entered in the record by the examiner.

**X. RELATED PROCEEDINGS APPENDIX**

Appendix C sets forth copies of decisions rendered by a court or the Board in any proceeding identified pursuant to 37 C.F.R. § 41.37(c)(1)(ii).

**SUMMARY**

In view of the above, Appellant submits that all claims on appeal distinguish over the applied art and respectfully requests that the rejections of these claims should be reversed.

Appellant therefore respectfully requests that the Board of Patent Appeals and Interferences reverse the decision rejecting claims 1-30 and direct that the application be passed to issue.

The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. 1.16 or 1.17 to Deposit Account No. 50-2504. The Examiner is invited to contact the undersigned at 434-972-9988 to discuss any matter regarding this application.

Date: 15 November 2010

Respectfully submitted,

Michael Haynes PLC

/Michael N. Haynes/

USPTO Registration: 40,014

Telephone: 434-972-9988

Facsimile: 815-550-8850

1341 Huntersfield Close

Keswick, VA 22947